

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 98-527-C - ORDER NO. 1999-55
JANUARY 22, 1999

IN RE:	Application of Frontier Corporation, Allnet)	ORDER APPROVING
	Communications Services DBA Frontier)	MERGER AND OTHER
	Communications Services, and Frontier)	TRANSACTIONS
	Communications International, Inc. for)	
	Authority to Reorganize and For Related)	
	Transactions.)	

This matter comes before the Public Service Commission of South Carolina (the Commission) on the Application of Frontier Corporation (Frontier), Allnet Communication Services d/b/a Frontier Communications Services (FCS), and Frontier Communications International, Inc. (FCI) (together, the Companies) for authority to reorganize their corporate structure and operations and to complete a series of transactions related thereto. This is the second phase of a nationwide reorganization of the Companies. The Companies seek authority to transfer the retail interexchange customer assets of FCI to FCS. After the transfer, FCI will continue to operate as a provider of wholesale interexchange services to other telecommunications services providers and operator-assisted services in South Carolina. The transaction will consolidate the retail interexchange operations of the Frontier family of companies into one operating entity, FCS. FCI will provide only wholesale interexchange services and operator-assisted services in South Carolina.

The Commission's Executive Director ordered the Companies to publish a Notice of Filing, one time, in newspapers of general circulation in the areas affected by the Application. The purpose of the Notice was to allow public participation in the proceeding. No Protests or Petitions to Intervene were received.

Subsequently, the Companies filed a Motion for Expedited Review of the Application, and a waiver of the hearing, since no intervention had occurred. The Companies filed verified testimony of Michael J. Shortley, III, Senior Attorney and Director of Regulatory Services for Frontier Corporation.

We grant the Motion for Expedited Review. However, we note that S.C. Code Ann. Section 58-9-310 (Supp. 1997) requires that a "due hearing" occur before approval of any merger. We hold that the weekly Commission meeting of January 18, 1999 constitutes the "due hearing" in the present case, since this public meeting was where this matter came up for discussion, and verified written testimony was available.

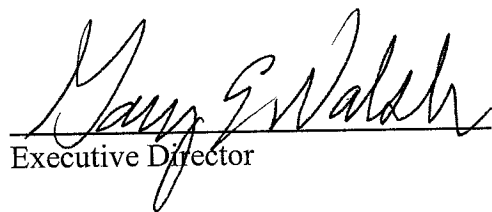
The testimony of Shortley supports the Application. We grant the Application as filed. The Companies may reorganize as requested and carry out the related transactions. We think this is very reasonable under the circumstances.

This Order shall remain in full force and effect until further Order of the
Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)